KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

CIN : L30007TG1991PLC013211
Tel : +91 8414-667600
Fax : +91 8414-667695
email : kernex@kernex.in
Website : www.kernex.in

CERTIFIED ISO 9001 UKAS MANAGEMENT SYSTEMS 001

Registered Office :
"TECHNOPOLIS", Plot Nos : 38-41,
Hardware Technology Park,
TSIIC Layout, Raviryal (V),
Hyderabad – 501 510. Telangana, India.

Date: 17th August 2026

To The Listing / Compliance Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	To The Listing / Compliance Department National Stock Exchange of India Ltd Plot No.C/1, G Block, Exchange Plaza Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051
BSE Scrip Code: 532686	**NSE Symbol: KERNEX**

Subject: Update on the Operations/Performance of the Company

Dear Sir/Madam,

With reference to the subject cited above, we hereby give the update on the company's Operations/Performance of the Company.

1. Regarding Outline of CLW Order Execution

The total order received from Chittaranjan Locomotive Works (CLW) under the CLW-II order is for 3,024 units.

The status of the order is as follows:

Particulars	Quantity (Units)
Total Order Quantity	3,024
Supplied during FY 2025-26 and up to 13 August 2026	1,360
Balance Quantity to be Supplied	1,664

In continuation of the information published in the Notes to the Financial Statements on 13 August 2026, the Company has, as on date, 1,360 units supplied under the CLW-II order.

Of the balance 1,664 units, 175 units have been completed and are currently undergoing the pre-dispatch process and are expected to be dispatched during the current month. In addition, 1,025 units are approximately 95% complete and are planned for dispatch during September and October 2026, with a minimum of 500 units planned for dispatch in each month.

Badari Narayana Raju Manthena

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The Company is targeting to complete the remaining balance quantity which are under various stages of production and is planned to be completed and dispatched as per the project schedule i.e. November 2026.

Upon completion of the dispatches, the Company will have a further period of approximately two months, up to 5 February 2027, to complete the balance installation and commissioning formalities.

Based on the current level of completion and the planned production and dispatch schedule, the Company expects to complete the entire dispatches under the CLW-II order by November 2026 and complete the related installation and commissioning formalities within the stipulated timeline, i.e., by 5 February 2027.

2. Warranty Provision

As per the terms of the order received from CLW, the Company is required to provide a warranty for a period of four (4) years from the date of issue of the completion certificate.

The contract price is inclusive of the warranty obligation, and no separate consideration is payable to the Company towards the warranty.

Accordingly, in accordance with the applicable requirements of Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, the Company recognises a provision towards its warranty obligations based on the estimated costs expected to be incurred in fulfilling such obligations, rather than recognising the cost only when actual warranty claims arise.

The warranty provision is reviewed periodically, including at each quarter-end and year-end, based on the Company's assessment of the expected warranty-related costs. Any provision that is no longer required is reversed/written back, as appropriate.

Upon completion of the warranty period, the Company expects to earn Annual Maintenance Contract (AMC) revenue at approximately 3% of the capital cost per annum for a period of 11 years, subject to the applicable contractual terms.

3. Other Verticals / Diversification

The Company is also in the process of diversifying its business into other verticals. As part of this initiative, the Company has secured an order amounting to approximately Rs.15.90 crore *(as our earlier intimation dated 28.05.2026)*

Badari
Narayana Raju
Manthena

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Certain statements made above may constitute ***"forward-looking statements"*** *within the meaning of applicable securities laws and regulations. These statements, including those relating to the expected production and dispatch schedule, completion of the CLW-II order, installation and commissioning timelines, warranty obligations, future AMC revenue, diversification plans, order execution and expected revenue contribution, are based on the Company's current expectations, estimates, assumptions and available information as on the date of this communication.*

Accordingly, actual results, performance, achievements, timelines or outcomes may differ materially from those expressed or implied in such forward-looking statements. The Company does not undertake any obligation to publicly update, revise or otherwise modify any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable laws and regulations.

The information contained herein should not be construed as a guarantee, assurance or representation regarding the future performance or outcome of the Company's business or projects. Investors and stakeholders are advised to exercise due caution and conduct their own independent assessment before making any investment or other decision based on this communication.

Kindly take the above information on records.

For Kernex Microsystems (India) Limited

Badari Narayana Raju Manthena

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Date: 2026.08.17 15:15:00 +05'30'

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M B Narayana Raju
Whole-Time Director
DIN: 07993925